

**Congress of the United States**  
**Washington, DC 20515**

November 22, 2019

The Honorable  
Michael R. Pompeo  
Secretary of State  
Department of State  
2201 C St, NW  
Washington, DC 20520

The Honorable  
Mark T. Esper  
Secretary of Defense  
Department of Defense  
1000 Defense Pentagon  
Washington, DC 20301

The Honorable  
David L. Bernhardt  
Secretary of the Interior  
Department of the Interior  
1849 C St, NW  
Washington, DC 20240

Dear Secretary Pompeo, Secretary Esper and Secretary Bernhardt:

We write regarding renegotiation of the Compacts of Free Association with the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM) and the integrally connected issue of Compact impact aid to our affected constituencies.

We are supportive of the Compacts and the Administration's recent steps to reaffirm the commitment of the United States to the Freely Associated States (FAS), including the historic White House meeting with all three FAS heads of state as well as Secretary Pompeo's visit to the FSM and subsequent announcement that Compact renegotiations have begun. Although the economic provisions of the current Compacts with the RMI and FSM do not expire until 2023, beginning the renegotiations now sends a crucial message to the entire Indo-Pacific that the United States remains committed to the existing regional order.

The Compacts have become especially important amidst growing geopolitical competition in the Indo-Pacific region. In exchange for financial assistance and access to some U.S. domestic programs, the FAS grant the U.S. full authority and responsibility for their security and defense. This includes access to and responsibility for their lands, waters and airspace that cover the vast distance between Hawai'i and the western Pacific Ocean. By renegotiating and approving these Compacts, the United States will be reaffirming its commitment to these countries and their peoples with whom we share historic ties and shared values. This furthers a key priority established by our 2017 National Security Strategy at a time when China is actively deepening its relationships, investments and influence in the Pacific Islands.

However, as the Administration proceeds to renegotiate these important national security agreements, we must raise an issue which we consider fully interrelated with whether and under what terms the Compacts should be extended. That is the sufficiency of Compact impact aid to those jurisdictions, primarily Hawai'i, Guam, American Samoa and the Northern Mariana Islands, which have been asked and expected to bear unreasonably high costs as a result.

When Congress first approved the Compacts through the Compact of Free Association Act of 1985 (P.L. 99-239; 99 Stat. 1770), it was already understood that these agreements would likely lead to disproportionate impacts on certain jurisdictions arising from the open migration of Compact residents and related demand on public services. Thus, Congress committed to redress any adverse consequences and authorized such sums as may be necessary to cover the costs of these agreements. When the Compacts were renewed in 2003, Congress reaffirmed that commitment and authorized and appropriated a total of \$30 million each year through fiscal year 2023 to assist these affected jurisdictions in the Compact of Free Association Amendments Act of 2003 (P.L. 108-188; 117 Stat. 2739). That law also authorized additional grants as necessary each fiscal year to meet the demands of FAS migrants in these affected jurisdictions.

Unfortunately, the related costs of FAS migrants residing in these affected jurisdictions have ballooned far beyond the assistance that Congress established or that the affected jurisdictions can reasonably be expected to bear. For example, in 2003, when the Compacts were renewed, the U.S. Census Bureau estimated around 20,000 FAS migrants in these four jurisdictions. As of 2018, that estimate has grown to over 38,000 FAS migrants, with the vast majority in Hawai'i and Guam. Not only have the total numbers of migrants grown, but so have the public services cost of each migrant. For Fiscal Year 2018 alone, the State of Hawai'i estimated costs of about \$198 million for direct services to support FAS migrants (primarily health and education) and Guam reported over \$147 million in such costs for Fiscal Year 2017. For Fiscal Year 2019, the Department of the Interior distributed roughly \$16.8 million for Guam, \$14.8 million for Hawai'i, \$2.3 million for the Northern Mariana Islands and \$23,000 for American Samoa.

In short, the actual impact of the Compacts on our jurisdictions far exceeds existing federal assistance and that gap is growing and can only be expected to continue to grow. As a result, our state and territorial governments bear a disproportionate responsibility for the Compacts in the form of the significant and growing financial costs associated with FAS migrants. While we welcome the important and growing contributions of FAS migrant communities in our jurisdictions and recognize the national security value of the Compacts, the status quo is financially unsustainable for our jurisdictions.

In the 2003 Compact renegotiations, the position taken by the Administration was that extension of the Compacts and Congressional approval was unrelated to the issue of sufficient Compact impact aid to disproportionately affected jurisdictions. We must respectfully but directly disagree with regard to the current renegotiations. Without corresponding increases of guaranteed federal assistance to fully reimburse our jurisdictions being included as part and parcel of the Congressional Compact extension approval process, we will find it difficult to support Compact renewal.

For decades the Compacts have memorialized a mutually beneficial relationship between the peoples of the FAS and the United States. To ensure that these invaluable relationships and mutual benefits endure for the coming decades, we therefore request that the Administration explicitly address full and adequate Compact impact aid to all disproportionately affected jurisdictions as part of your RMI and FSM Compacts process and include in any proposed Congressional approval provision for such aid.

We appreciate your consideration of our concerns and stand ready to assist the Administration in extending the Compacts and fully funding Compact impact aid.

Sincerely,



Ed Case  
Member of Congress



Michael F.Q. San Nicolas  
Member of Congress



Tulsi Gabbard  
Member of Congress



Gregorio Kilili Camacho Sablan  
Member of Congress